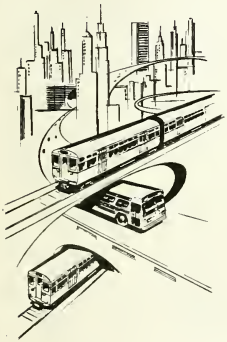
CHICAGO TRANSIT AUTHORITY



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HISTORY AND ACCOMPLISHMENTS

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POWERS AND DUTIES OF CHICAGO TRANSIT AUTHORITY

Chicago Transit Authority was established by legislative action of the Illinois General Assembly, which was approved by the Governor on April 12, 1945. On June 4, 1945, the voters of Chicago and Elmwood Park ratified the legislation by a vote of six to one. At this election, the voters of Chicago also approved the granting of a 50-year franchise to Chicago Transit Authority, giving it the exclusive right to operate local and rapid transit in Chicago, and the privilege of operating city-owned subways.

CTA is Self-Governing, Self-Regulating

As provided by law, Chicago Transit Authority is a self-governing, self-regulating governmental agency, separate and apart from all other governmental agencies.

Although it is a public corporation, CTA possesses some of the major advantages of a privately-owned and privately-financed corporation. For example, the CTA may exercise its own judgment in the operation of its properties, subject only to the mandatory requirement of the law that it must provide modern, attractive and convenient service at actual cost.

Since it must operate on a service-at-cost basis, CTA has the exclusive right to establish rates of fare and to regulate service. By law, the rates of fare must be sufficient in the aggregate to pay operating costs, and the costs of modernizing equipment and service.

There are no profits from the operation in the accepted meaning of the term. All income in excess of operation and maintenance costs and fixed charges must be invested in service and capital improvements.

Chicago Transit Board

Chicago Transit Authority is governed by Chicago Transit Board which consists of seven members. Four members are appointed by the Mayor of Chicago and three members are appointed by the Governor of Illinois. The term of each member is for a period of seven years. The Chairman, who is elected by the members of the Board for a term of three years, is required to devote all of his time to the affairs of the Authority.

All members of the Board are required to be individuals of recognized ability. One of the members appointed by the Governor must be a resident of the Chicago suburban area.

The day-to-day affairs of the Authority are directed by a General Manager who must be, and is, a career man in the transit industry. Assisting him is a staff of experts in transit operations.

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HISTORICAL INFORMATION

Chicago Surface Lines

The modern fleet of passenger-carrying vehicles operated on surface routes by the CTA today is a far cry from the passenger equipment used when service was inaugurated on Chicago's first street railway line about 100 years ago.

The first streetcars were horse-drawn and began operation on State street between Randolph and 12th streets, on April 25, 1859, when Chicago had a population of about 108,000.

Called bobtails, because they had no rear platform, the cars were about 12 feet long, seated 18 passengers, and traveled at a speed of about three miles per hour.

There were no conductors in those days and passengers entered at the rear of the cars, dropping their fares into a slot which led to a box at the driver's end of the car. Because no heat was provided, the floor was covered with hay or straw in the winter. Light was afforded by two kerosene lamps in opposite corners of the roof.

This service was extended and numerous other routes established over the next few years so that by 1866 the State street horse car line went south as far as 39th street, at that time the southern city limits.

The next decade was one of rapid growth for the south side of Chicago, and by 1877 horse cars also were operating on Halsted street south to 39th, and by 1881 on Clark-Wentworth. Progressive service extensions pushed the State street line southward to 68th street, the Wentworth avenue line to 80th and Vincennes, and the Halsted line to 79th. East-west routes also were established during this period, notably on 59th street, 61st street, 63rd street and 69th street. This mode of public transport also soon spread to north and west side streets.

Meanwhile a new and faster means of local transit had entered the picture. Cable cars had proved capable of speeds up to 14 miles an hour, and in 1882 the first cable car line began operating on State street north of 21st street. It was the beginning of the end for the horse-drawn cars although they were to continue in operation over some Chicago streets until 1906.

With the march of progress in the transit industry at the turn of the century it was inevitable, however, that slower-moving vehicles would be replaced by more modern facilities. Cable cars provided an improvement, but for only a comparatively short time and on only a few lines. The powerful, efficient and economical electric streetcar was the new order of the day in local transit. So it came about that the last of the cable cars operating in Chicago were taken out of service in 1906.

The first overhead trolley car on what is now CTA's surface system went into service in 1890 on 93rd street between Stony Island and South Chicago avenue in the Calumet district.

Electrification of horse car and cable car routes continued apace, being completed in 1906. Among the lines on which trolleys began service during this period were 47th street in 1892; Cermak and Cottage Grove in 1893; Clark in 1894; Halsted in 1895; Harrison, Indiana and Irving Park in 1896, and Adams, Clybourn, 55th, Madison, and Milwaukee in 1906. Thus was established the pattern of transportation development in all sections of the city radiating from the central business district, which has been continuing ever since.

On February 1, 1914, all street railway properties in Chicago were unified under one management when an ordinance providing for consolidation of operations by the Chicago Surface Lines became effective. Prior to that date operation was by many separate companies.

This was an important milestone in local transportation history because it marked the realization of a long-time plan to coordinate the city-wide network of surface routes, making it the largest surface transportation system under single management in the United States.

Another step advancing the motor bus era in surface transit in Chicago occurred on August 11, 1927, when gasoline buses, forerunner of CTA's present fleet of motor vehicles, were placed in service on the Chicago Surface Lines Diversey avenue route. This was followed by another significant development--installation of the first trolley bus service on Diversey between Milwaukee and Narragansett avenues on April 17, 1930.

Although the full significance of these initial conversions from rail to rubber was not realized until later years, these developments really were the beginning of the end of streetcar operation.

In effect, however, streetcar operation in Chicago obtained a 20-year reprieve with the development of a new type streetcar, one capable of much higher speeds, and the ability to start and stop quicker. The first of these new type streetcars--83 of them--went into service on Madison street in 1936.

In 1945, two years before the CTA "take-over" in 1947, the Chicago Surface Lines purchased streetcars of an improved type, which, because of their increased speed and color, became known as "Green Hornets."

Even the "Green Hornets" with their high-speed potentials were unable, however, to cope with mounting traffic congestion. Their inflexibility, their inability to detour at will around blockades, coupled with changing economic conditions, compelled their retirement.

Most of the "Green Hornets," however, did not share the humiliating fate of the old red streetcars--transfer to the scrap heat. Major components of the "Green Hornets" were salvaged and were used in building 570 of CTA's present fleet of 774 "Green Hornet" rapid transit cars.

By salvaging components from the "Green Hornets" and using them in building rapid transit cars, CTA achieved a saving of $20,000 per rapid transit car--an amount almost equivalent to the cost of a modern bus. The total saving enabled CTA to speed its modernization program to completion.

Chicago Rapid Transit Company

The Chicago Rapid Transit company, which CTA purchased October 1, 1947, along with the Chicago Surface Lines, started operation in 1892.

That was the year when Chicago was making all-out preparations for the World's Columbian Exposition of 1893 in Jackson Park. Actually this initial section of Chicago's rapid transit system was built to provide service between downtown and the exposition site.

The first section of the new "High Line" between Wabash avenue and State street to go into service extended from Congress street only as far south as 39th street. At that time a large part of the south side was little more than prairie, but by May 1, 1893, when the pioneer "L" line was completed to Jackson Park, construction of homes, apartment buildings and commercial properties was booming in the area.

Continued expansion of the area development was reflected in construction of the Englewood, Normal Park, Kenwood, and Stock Yards branches of the South Side "L" in 1907 and 1908. Only the Englewood and Jackson Park branches remain. The Normal Park, Kenwood and Stock Yards branches were abandoned because of insufficient patronage.

The second rapid transit line built was the Lake Street Elevated Railroad, which began operation of the first section from Market street to California avenue on November 6, 1893. The Lake street line was gradually extended westward to a terminal at Austin avenue in 1899, to Harlem avenue in 1901, nd to its present terminal in Forest Park in 1910.

Another section of the west side and new areas on the northwest side benefited with the construction of the next elevated facility--the Metropolitan West Side Elevated Railroad. The first section to be built by this company extended west in the vicinity of Van Buren street from Franklin street to Marshfield avenue and thence northward in the vicinity of Paulina street to Damen and Milwaukee avenues. Service on this section started May 6, 1895. The structure was completed from Damen avenue to Logan Square on May 25, 1895.

The next stage in the development of the West Side "L" came in June, 1895, when the Garfield Park route was added, extending westward in the vicinity of Van Buren and Harrison streets from Marshfield avenue to Cicero avenue. Service to the present terminal at Forest Park was established in 1905, and to Bellwood and Westchester in 1926.

Another branch line was added to the rapidly-growing Metropolitan System on July 29, 1895, when trains began operating over the Humboldt Park route, paralleling North avenue between Damen and Lawndale avenues. This was followed by still another addition when the Douglas Park branch was placed in service as far as Western avenue in 1896.

As the southwest area of the city developed, the Douglas Park branch was extended from Western avenue to Crawford avenue (now Pulaski road) in 1902; to Cicero avenue in 1907; to 62nd avenue in 1915, and to Oak Park avenue in Berwyn in 1924. The present West terminal of the Douglas Park rapid transit route is 54th avenue, Cicero.

Until 1897 the various rapid transit lines did not have a common terminal in the downtown area, but in that year construction of the famous elevated Loop--from which the central business district gets its name--was completed. Lake street, South Side, West Side, and Northwest Side trains began operating over the Union Loop, although each of the companies continued to charge separate fares without the privilege of transfer interchange.

In May, 1900, the fourth rapid transit company, Northwestern Elevated railroad, completed the first stage of its construction and started service between the Loop and Wilson avenue. The Ravenswood branch was added in 1907 and the North Side elevated was extended to Central street, Evanston, in 1908, and to Linden avenue, Wilmette, in 1912. In 1925 a branch line to Niles Center--now Skokie--was opened.

In 1913, all four of the rapid transit companies--the South Side Elevated railroad, the Lake Street Elevated railroad, the Metropolitan West Side Elevated railroad, and the Northwestern Elevated railroad--began operating coordinated service. Through routing of trains and a single rate of fare with transfer interchange facilities at Loop stations were established for the first time. Then, in 1924, the four lines were consolidated as the Chicago Rapid Transit company, operating under a single management.

The Humboldt Parkbranch on the northwest side, the Normal Park, Stock Yards and Kenwood branches on the south side, the Niles Center (now Skokie) branch, and the Westchester branch no longer exist, but in each instance adequate bus service is provided.

Both the South Side Elevated and the Lake Street Elevated railroad companies began operating with tiny "steam dummy" engines, which burned hard coal. The Metropolitan West Side Elevated railroad was also designed for operation with steam locomotives, but before construction work was completed it was decided to use electric motor cars. Thus, on May 6, 1895, the Metropolitan became the first electrically-operated rapid transit road in the world.

The Lake Street Elevated railroad was electrified in 1896, and the South Side Elevated railroad in 1898. Electrification of the South Side Elevated railroad gave Chicago another first in the electrically-operated rapid transit field--the first multiple unit control motor car.

Multiple unit control permits all cars of a rapid transit train to be operated from control equipment in the cab of the lead car. This system of control, basically unchanged since its introduction in Chicago in 1898, is now universally used in the operation of electric trains.

Chicago Motor Coach Company

The first buses to be used in mass transit in Chicago were operated by the Chicago Motor Bus company, which was established in 1917. When this company went into bankruptcy in 1922, the Chicago Motor Coach company became its successor and in the ensuing years it became an important factor in local transportation in Chicago.

The Chicago Motor Coach company, which was a wholly-owned subsidiary of the Omnibus Corporation, began operations with 63 buses serving 18.4 miles of north side boulevards.

By the time CTA acquired the company, it had grown to the point where it was operating over 172 miles of the boulevards and streets of Chicago and had a fleet of 595 buses carrying nearly 85,000,000 passengers annually.

The greatest period of expansion of Chicago Motor Coach facilities occurred during its first five years, its operations being increased to 134.4 street miles at December 31, 1927, its fleet from 63 to 464 buses, and its employes from approximately 200 to 1,800.

During this period, 29 new routes were added throughout the city, most of them also operating over the boulevards and park drives of the Chicago Park District. Thus, the Chicago Motor Coach company came to be known as "The Boulevard System."

In the beginning, the company's passenger equipment consisted solely of open-top, double-deck motor coaches. Due to the severity of Chicago winters, however, this type of vehicle did not prove practical. Closed-top double-deckers were introduced in 1923, but also in 1923 single-deckers began to replace double-deckers on some of the lightly-patronized routes. The 1923 single-deckers were the first to roll on pneumatic tires. Their predecessors had solid rubber tires. Some of the closed-top double-deckers remained in service as late as 1950.

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CHICAGO TRANSIT AUTHORITY MODERNIZATION

Chicago Transit Authority became an operating entity on October 1, 1947, when it purchased the properties of the former Chicago Surface Lines and the former Chicago Rapid Transit company.

On October 1, 1952, its fifth anniversary, Chicago Transit Authority purchased the properties of the Chicago Motor Coach company, thus becoming owner and operator of all of the city's principal local transit systems.

Modernization of Chicago Transit Authority's original properties has progressed at a rate unprecedented in the history of local transportation in Chicago.

As of June 1, 1966, for new cars and buses, and other modern facilities, CTA has invested or obligated approximately $215,000,000, in addition to $16,400,000 paid for the Chicago Motor Coach properties. CTA's initial equipment modernization program was completed in 1959, and purchases now are for replacement purposes.

In 38 years preceding the start of CTA's modernization program, the two predecessor companies--Chicago Surface Lines and Chicago Rapid Transit company--had invested only $46,000,000 for new rolling stock.

The modernization program got under way in 1945, two years in advance of purchase of the two properties, when CTA proposed, and the Federal court approved, a plan for the Surface Lines to purchase modern streetcars and buses with cash from the company's renewal funds.

When CTA acquired the Surface Lines and Rapid Transit properties on October 1, 1947, obtaining the Surface Lines renewal funds along with physical assets, it accepted the cars and buses purchased under this plan at their purchase price in lieu of an equivalent amount of cash in the renewal funds.

Under the modernization program, 5,765 cars and buses have been purchased making CTA's modernization activities outstanding among local transit operators in the nation. Every section of the city is now served by new surface equipment.

Included among the 954 all-metal rapid transit cars are 570 cars that were fabricated using certain components of an equivalent number of streetcars. This procedure resulted in a savings of about $14,000 per car.

The purchase of 180 "New Look" 'L'-subway cars in 1963 established these historical "firsts" for CTA:

1. First purchase of a fleet of air-conditioned cars by any U.S. authority-type urban rapid transit operation.
2. Largest single order for all-new rapid transit cars ever placed by CTA.
3. First U.S. urban rapid transit property, either publicly or privately owned, to install and operate air-conditioned cars on other than a test basis.
4. Operator of the largest fleet of air-conditioned cars and the longest route served by air-conditioned cars of any urban rapid transit company in the U.S.

The entire rapid transit system is now equipped with all-metal modern or modernized rapid transit cars. The Congress service, operating in the median of the Eisenhower expressway, is served by modern passenger equipment. "New Look" air-conditioned rapid transit cars are in daily service on the Lake and West-Northwest rapid transit routes.

To finance all of these purchases, CTA provided a substantial amount of cash from depreciation reserve and modernization funds, and obtained the balance from the sale of equipment trust certificates to John Nuveen and Co., and A. C. Allyn and Co., banking firms. These equipment trust certificates are retired serially in one to six years from date of issue.

The equipment purchases are notable in other major respects. First, the purchase of 500 LP (liquid petroleum) gas buses from the Twin Coach company of Kent, Ohio, established two precedents in the local transit industry. It was one of the largest orders for buses ever placed at one time, and it was the transit industry's first order for a large fleet of LP-gas buses. An additional 51 LP-gas buses were bought from the ACF-Brill company of Philadelphia. With the 1963 delivery of 150 buses, the fleet now totals 1,641 units.

With the purchase of 349 trolley buses on August 7, 1950, CTA again made local transit history. This purchase was the largest order for trolley buses ever placed at one time by a local transit company.

Surface Improvements

Because of the equipment modernization, service has been substantially improved on the surface and rapid transit systems. The three former privately-owned and separately-operated systems have been coordinated, and a program of constructing attractive and convenient off-the-street transfer interchange points is under way. The number of off-the-street surface system terminals has more than doubled, express service has been established, and long, through surface routes have been functionalized by making short lines out of the outer ends to give outlying areas of the city more dependable service.

Through the conversion from rail to rubber on the surface system, a degree of flexibility of operation has been attained that was impossible when streetcars dominated the

surface fleet. This flexibility has contributed materially to improved regularity and frequency of service. Buses are much more maneuverable than streetcars on today's traffic-jammed streets. This is effectively demonstrated whenever fires or automobile accidents occur on local transit streets, causing blockades over which CTA has no control. Buses are simply detoured around the obstacles.

In many instances, too, the flexibility of buses has made easier, and in some cases even made possible, the establishment of one-way streets. It also has simplified the task of the City, the County, and the State in their extensive street resurfacing and repaving programs.

Rapid Transit Improvements

On the rapid transit system, where there is comparatively little interference from today's record-breaking volume of street traffic, the improvement in service has been especially marked, and Chicago today has its fastest rapid transit service.

Improved rapid transit service has been accomplished by a combination of measures:

Wasteful duplication and competition between the rapid transit system and the surface system have been eliminated.

The former practice of intermingling local and express trains has been discontinued.

Lightly used stations have been closed and alternate stop express trains are now operated during the hours of heaviest travel on all major rapid transit routes.

Substantial reduction in travel-time for riders, and an appreciable reduction in operating costs have been achieved.

On the Lake route, where the alternate stop plan was introduced, the travel time between the west terminal and the Loop was reduced by 10 minutes. On the North-South main line, travel time between the outer terminals and the Loop was reduced by as much as six minutes.

Subways

The State Street subway (4.9 miles), was completed in 1943 and Chicago Rapid Transit company started operating in the subway in October of that year.

The second Chicago subway, Milwaukee-Dearborn-Congress, was placed in operation by CTA in February, 1951. This structure (3.99 miles) connects the Milwaukee avenue elevated with the Central Business District.

The cost of the two subways were: State Street, $34,000,000; Milwaukee-Dearborn-Congress, $40,000,000. These were financed by the City of Chicago, largely from the City's Traction and Transit Fund, and the Federal government which contributed $25,967,000.

The newest of Chicago's subways--the Congress route--began operation on June 22, 1958. It is the first project ever conceived, planned, and constructed to combine rail rapid transit and a multi-lane automobile expressway in the same grade-separated right-of-way.

The amounts of fixed transportation equipment investments, which are being repaid by CTA over the estimated life of the equipment (about 33 years), are as follows:

SUBWAY	AMOUNT
Congress	$10,847,372
Milwaukee-Dearborn-Congress	4,874,811
State Street	4,349,231
TOTAL	$20,071,414

Lake Rapid Transit Elevation

Another noteworthy transit accomplishment in Chicago was the elevation of the Lake street rapid transit route, a $4 million project jointly financed by the City of Chicago, $600,000; Village of Oak Park, $800,000; Cook County, $1,000,0000; State of Illinois, $1,000,000, and Chicago Transit Authority, $600,000.

The Lake street elevation, like its predecessor, the Congress route in the median of the Eisenhower expressway, is not only of general benefit to the entire metropolitan area but is of special benefit to Chicago's westside and the western suburbs.

The elevation, placed in operation October 28, 1962, has established a precedent and a pattern for public agency cooperation in mass transportation projects so that widespread public benefits, including improvement in street traffic flow, may be obtained.

It eliminated 22 grade crossings in the two and one-half mile stretch between Laramie avenue, Chicago, and Harlem avenue, Oak Park, where rapid transit trains had been operating at street levels for more than 50 years. The heavy volume of pedestrian and vehicular traffic now moves through the 22 intersections unimpeded by rapid transit operations. Formerly, as many as 200,000 transit riders, pedestrians, and motorists were subjected to hazards and delays each weekday.

To make way for the CTA the Chicago and Northwestern railway realigned its two northernmost tracks, constructed and signaled a new third track, and constructed a new island platform for its riders at Marion street.

In addition to paying its share of the project cost, CTA is paying the Northwestern railway a rental fee of $168,800 per year for the use of space for its two tracks and platforms.

Skokie Swift

The Skokie Swift high-speed (5 miles in 6½ minutes) service, between Howard street in Chicago, and Dempster street in Skokie, was inaugurated on April 20, 1964, as a federally-aided mass transportation demonstration project. Participation in the net project costs was divided as follows: U.S. Department of Housing and Urban Development (formerly Housing and Home Finance Agency) 66.67%; CTA, 26.23%, and the Village of Skokie, 7.1%.

The success of this project, too, has attracted nation-wide attention. On its first day of service, Skokie Swift carried a total of 4,045 riders in a 16-hour period in comparison with approximately 1,600 riders carried by the North Shore railroad from the Dempster terminal area in a 12-hour period before the railroad terminated service.

Because of the weekday success, Saturday service was inaugurated. On the first Saturday there were more than 2,000 riders and in less than a month that schedule, too, has to be revised to extend the hours of service from 12 to 16 hours. Service was also provided on Sundays for Chicago Bears home games.

The parking lot at the Dempster terminal of the route, operated by the Village of Skokie, has been expanded twice and now accommodates 525 automobiles.

At the end of the two-year experimental period 3,500,000 persons had used the service, and Chicago Transit Board authorized operation of the Skokie Swift route as a permanent part of CTA's rapid transit network.

In addition to the standard one-man rapid transit cars assigned to the Skokie Swift route there are four 96-seat articulated commuter cars permanently assigned there.

The success of the Skokie Swift route clearly demonstrates that motorists will forsake their automobiles when high-speed mass transit is provided.

Englewood Transit Terminal

Just recently the U.S. Department of Housing and Urban Development approved an application for a grant of $3,901,000 to extend CTA's Englewood rapid transit route to a new terminal at 63rd and Ashland. Chicago qualifies for this grant to cover two-thirds of the cost estimated at $5,851,300 by providing one-third of the cost, approximately $1,950,300.

Under the terms of the Mass Transportation Act of 1964, the application and the matching funds cannot come from the transit operator. They must come from one or more other local governmental agencies, such as the State, County, or the City.

The Englewood transit terminal plan was developed by close cooperation of City of Chicago and Chicago Transit Authority engineers and planners. CTA will operate the improvement as part of its rapid transit system.

Some of the benefits of the new Englewood transit terminal are:

1. Replace the present outmoded and overloaded rapid transit train-bus interchange terminal at Loomis near 63rd street.
2. Relocate the terminal and extend train service to serve the public better.
3. Correct the operational deficiencies of the present facility.
4. Provide off-street parking for transit users.

The Englewood transit terminal will consist of an extension of the Englewood branch of the North-South rapid transit route from its present terminal at Loomis westward along the alley south of west 63rd street to about the east line of south Hermitage avenue.

The passenger platform will be generally centered over a station area on the east side of south Ashland avenue and extend between south Justine street and a point east of south Marshfield avenue.

Adjacent to the south side of the station will be an off-street terminal for buses beginning or ending their trips there and a park-'n'-ride lot for transit riders.

The rapid transit car storage tracks which now end at Loomis will be extended westward, tapering into a connecting track. Bus routings will be modified to contact the new station. The present station building, platform and stairways at Loomis will be dismantled after the new facility is placed in service.

The extension will provide convenient and efficient transportation service to Englewood residents and will be an attractive asset to the community.

Park-'N'-Ride Lots

CTA operates eight park-'n'-ride lots at rapid transit terminals. There are two lots at Howard street, at Linden avenue, Wilmette, and at Desplaines avenue, Forest Park. There are also parking lots at Kimball-Lawrence and at 54th avenue, Cicero. A ninth lot is operated by the Village of Skokie at the Dempster terminal of the Skokie Swift route.

Most of these lots, which have a combined capacity of about 2,150 cars, are filled nearly every weekday. A nominal charge is made at the lots at Howard terminal; Kimball-Lawrence; Linden avenue; Dempster terminal, Skokie, and at Desplaines avenue. There is no charge at the 54th avenue lot. Several private and municipally-owned lots also are available in the vicinity of the terminals. The parking fees at these lots vary.

Extensions, Improvements and Modernization

This is an era of great progress in mass transportation in the Chicago area.

In less than a quarter of a century Chicago has built its first subway system, coordinated its surface and rapid transit operations, pioneered the coordination of rapid transit with multi-lane expressways, and extensively modernized transit equipment facilities and services.

But more remains to be done if Chicago is to continue to move forward.

Chicago Transit Authority's engineers have prepared a master plan for the modernization, expansion and improvement of CTA's transit system; however, these major projects cannot be financed from the fare box.

By agreement with the highway agencies, the City of Chicago, the County of Cook, the State of Illinois and the Federal government, space has been reserved in the Kennedy and Dan Ryan expressways for the installation of rail rapid transit. To finance the costs of providing rapid transit in both expressways and to modernize some heavily-used existing stations, the voters of the City of Chicago approved a $28,000,000 bond issue at an election on June 14, 1966. This amount has been used to obtain federal matching funds of $46,000,000 for the construction of the two routes.

Kennedy Expressway Extension

The Kennedy extension would continue the present West-Northwest route northwest through Logan Square about five miles to Central-Foster via the median strip which was provided for rapid transit in the Kennedy expressway. It is estimated that there will be more than 70,000 rides per day on this extension. This five mile extension is estimated to cost more than $38,000,000.

It is proposed to have escalator-equipped stations at Belmont-Kimball, Irving Park-Pulaski, Montrose, and at Milwaukee-Central with an enclosed interchange with the Chicago and North Western railway.

Dan Ryan Expressway Extension

The Dan Ryan express route would be an entirely new service linking downtown to 95th and State streets, via the median strip which was provided for rapid transit in the Dan Ryan expressway. More than 94,000 passengers per day would be served by this extension. Initial service would be provided by a connection to the existing elevated on the near south side. Trains would circle the Loop, providing, with existing Lake route trains, a convenient central area distributor service for Illinois Central and Rock Island commuters. When the central area subway, now being studied by planners, is built, the Dan Ryan express line would be rerouted via subway.

The estimated cost of the Dan Ryan extension with escalator-equipped stations at about one-mile intervals is more than $29,000,000.

Station Modernization

Modernization of 12 key elevated stations is also urgently required to overcome operational deficiencies and inconveniences which presently limit their usefulness to the traveler. Modernization of these stations, including certain important bus-rapid transit terminals will include longer, wider platforms, escalators, radiant-heated waiting areas, high-intensity lighting and improved track arrangements.

The stations will be selected on the basis of the amount of passenger traffic using the facility, general physical condition of the station, and conformity to overall community improvements in the area.

Other Improvements

Along with the modernization of passenger equipment, CTA has been modernizing other facilities. Many millions of dollars have been invested in this phase of the program. Three new bus garages, Beverly, at 103rd and Vincennes; North Park, at Kedzie and Foster avenues; and Forest Glen, at Elston and Armstrong avenue, have been constructed and are in operation. New tools and new methods, required by the extensive shift to bus operations, have been put in use at the Authority's principal shops.

A $4,000,000 bus overhaul shop, the final step in the consolidation of CTA's surface system shops, was constructed at the South Shops, 78th and Vincennes avenue.

While all of the other modernization activity was in progress, the Authority was consolidating several departments--transportation, way and structures, electrical, engineering, accounting, etc.--it acquired with the purchase of Chicago Surface Lines, Chicago Rapid Transit company and Chicago Motor Coach company. This job has been completed, and the Authority's general offices are now together on one floor in the Merchandise Mart. Formerly, these offices were scattered over a wide area in five separate locations.

These moves, like the modernization of equipment and service, have improved operating efficiency, and have produced considerable operating economies.

Conclusion

There are tremendous possibilities in Chicago for this region's greatest era of commercial, industrial, manufacturing and financial progress.

Essential to the attainment of these objectives for expansion is the development of a modern, expanded, integrated and coordinated rapid transit system that serves all of Chicago with fast off-the-street service supplemented by feeder buses.

Attainment of these objectives is today's challenge for a greater tomorrow.

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LOCAL TRANSIT IN CHICAGO

Operation of Chicago's major local transit facilities, and their regulation and government, may be divided into three separate and distinct periods. Through two of these periods, these facilities (surface and rapid transit systems) were privately owned and operated. Their passing ushered in the third and present period--the era of ownership and operation by an Authority, a unique, self-regulating public corporation.

City Control - Prior to 1913

The first period was one in which regulation was accomplished by special city ordinances. These ordinances were in the form of grants of authority to "install, maintain and operate" transit facilities on or across public highways. Regulatory provisions relating to rates of fare and service were incorporated in these ordinances.

This situation certainly did not foster the development of anything that could properly be called a local transit system. And none came out of it. Instead there grew up a patchwork of over-lapping, competing and related franchises which were the cause of wild financial speculation.

In the later years of the period of city control, important steps were taken toward organizing a comprehensive transit system. In 1907, the City Council enacted the Settlement Ordinances, which turned the course of Chicago traction away from the chaos that had been produced by the indiscriminate granting of franchise rights.

In effect, these Settlement Ordinances established two strong railway systems:

Chicago Railways company, operating in the north and west areas of the city.

Chicago City Railway company and its affiliates, operating in the south area of the city.

By the terms of these ordinances, the two systems were to be protected for a period of 20 years against invasion of their territory by competing franchise holders. The City Council specifically prohibited the granting of rights to any other company to operate street railways on any of the streets covered by the Settlement Ordinances, unless the city, or its grantees, purchased the properties of these two systems at prices to be fixed in accordance with the terms of the ordinances.

The second major forward step taken during the period of control by City Ordinances was the adoption and acceptance of the Unification Ordinance of 1913. Under this ordinance the two systems, which were owned by four proprietor companies, were brought under the management of a single operating agency, the Chicago Surface Lines. Crosstown through routes were established for the first time along with city-wide transfer privileges for the surface riders. This unified surface system embraced the properties of at least 30 underlying or predecessor companies.

Meanwhile, the elevated system too, for all practical purposes, had become a single unified system, entirely independent of its competitor, the Surface Lines system.

State Commission Control - 1913-1947

The second major period of local transit in Chicago dates from 1913, when the Illinois General Assembly placed control of local transit companies and other utilities in a State Commission, originally the Public Utilities Commission, and now the Illinois Commerce Commission. This period extended to October 1, 1947, when the properties of the Chicago Surface Lines and the Chicago Rapid Transit company were acquired by Chicago Transit Authority.

During the early years of this second period, Chicago's local transit companies enjoyed great prosperity, but in the 1920's they came to near destitution. Their decline from prosperity to poverty occurred while the regulatory policies established in the latter part of the previous period were being drastically revised, and while social and economic developments not favorable to local transit were taking place. Some causes of the decline were:

1. Competing carriers, principally bus lines allowed to parallel and compete with some of the most heavily traveled surface routes in the areas of highest population and highest riding density.
2. Unprofitable extensions of service were authorized and, in some cases, were required.
3. Fares were not allowed to increase as operating costs increased. The rapid transit, in particular, operated for a period of several years at rates insufficient to meet operating expenses before judicial relief was obtained.
4. Single fare inter-system transfer privilege was established without permitting the carriers to make adequate additional charge for the privilege. The imposition of this inter-system transfer on the carriers, while they still remained separate and competitive was, in effect, a disguised fare reduction.
5. Competition from the private automobile also began to cut seriously into transit revenues, and the expanding acceptance of a shorter work-week still further reduced local transit riding.
6. Shifts in population outward from the Central Business District created blighted areas in territories which formerly had produced profitable short-haul traffic. Transit revenues were also seriously affected by Chicagoans leaving the city in steadily increasing numbers to establish homes in the north, west and south suburbs. The war temporarily minimized

the effect of population shifts, competition from the automobile, and the shorter work-week, but their post-war impact was intensified.

The period of control and regulation of Chicago's major local transit facilities by the Illinois Commerce Commission ended with the surface and rapid transit systems in financial distress. Both companies were in receivership. The Surface Lines' receivership was one of the longest on record, dating from December 15, 1926, when the Chicago Railways company, the north side lines of the Surface Lines group, went into receivership. The other lines in the group were placed in receivership on July 7, 1930. These receiverships ended September 30, 1947, with the purchase of the properties by Chicago Transit Authority.

The Surface Lines had managed, with considerable difficulty, to meet interest payments on its first mortgage bonds, but for a period of 16 years it had not been able to pay compensation for use of city streets. It had also defaulted year after year on interest and principal payments to the holders of its junior securities.

Even more desperate was the financial plight of the Chicago Rapid Transit company. For years it had been unable to meet any interest or principal payments on any of its outstanding securities. It was actually at the point where just meeting payrolls was a struggle.

It is not surprising that little new rolling stock was purchased in the latter years of this period. None at all was bought by the Chicago Rapid Transit company. Old, outmoded equipment had to be kept in service, regardless of the tremendous costs of operating and maintaining it.

By the end of this second period, the average age of rapid transit cars was 42 years; streetcars, 32 years; trolley buses, 15 years; and the comparatively few motor buses, 4.4 years. Equipment generally had deteriorated and so, consequently, had service.

Authority Ownership and Operation - 1947

On September 30, 1947, the surface and rapid transit systems passed from private to public ownership and operation when Chicago Transit Authority, a public corporation created two years previously, purchased the facilities of the two systems for $87,162,500.

It was claimed that these facilities originally had cost between $250,000,000 and $300,000,000. The net cost to CTA actually approximated only $62,000,000 since the Authority obtained $25,000,000 in renewal fund cash with the Surface Lines purchase.

The decision to turn to a public authority of a type unique in American public utility practice was not spontaneous. Neither was it reached easily. It came only after six separate, prolonged but fruitless efforts to reorganize the surface and rapid transit systems as a private company. Public officials and civic, business, industrial and financial leaders joined in these efforts, but private capital simply could not be induced to rescue the two companies from receivership and bankruptcy, either separately as new companies, or as a single new company.

When reorganization failed, leaders in the fight to provide modern local transit for Chicago turned to public ownership as the only remaining solution to the critical problem.

Two courses were open in the public ownership approach--(1) a service-at-cost, self-supporting operation; (2) an operation subsidized by regular yearly tax levies upon the owners of real estate and personal property.

The Authority-type of operation, specifically deprived of the power to tax, was conceived and jointly sponsored, and recommended to the Illinois General Assembly by the Federal court in which the surface and rapid transit receivership cases were pending, by the Mayor of Chicago, and the Governor of Illinois.

The plan for ownership and operation of the surface and rapid transit systems as a unified, consolidated system was endorsed by the city's leading business, banking and real estate interests, and by the leaders in industry and commerce. The necessary legislation was enacted by the Illinois General Assembly and approved April 12, 1945. At a referendum election in June, 1945, the legislation was made effective by a vote of six to one by electors of Chicago and Elmwood Park. Two more years, however, were required to perfect the purchase plans, obtain capital funds by issuing and selling $105,000,000 of revenue bonds, and to effect the purchase of the properties.

Authority Administration

The Authority is a self-regulating municipal corporation, separate and apart from all other governmental agencies.

The governing and administrative agency of Chicago Transit Authority is the Chicago Transit Board, consisting of seven members. Four members are appointed by the Mayor of Chicago with the advice and consent of the City Council. Three members are appointed by the Governor of Illinois by and with the consent of the Senate. Each appointment by the Mayor is subject to approval by the Governor, and each appoinment by the Governor is subject to approval by the Mayor.

The terms of the initial board members were staggered, so that each of their successors would serve a seven-year term. The Board selects its own officers. A board member's compensation is $15,000 per year. The chairman, however, who alone is prohibited from engaging in any other business or employment, is granted additional compensation.

Present members of the Board are George L. DeMent, chairman, formerly Commissioner of Public Works, City of Chicago; William W. McKenna, lawyer and formerly executive assistant to the Mayor of Chicago; Joseph D. Murphy, president of Stifel, Nicolaus and Company, investment bankers; Raymond J. Peacock, publisher of 12 northwest side community newspapers; James R. Quinn, lawyer and formerly chairman, Committee on Local Transportation, City Council; James E. Rutherford, business consultant and retired Vice President, Prudential Insurance Company of America, and Mrs. Bernice T. Van der Vries, Illinois state legislator for 22 years.

The Board's first chairman was the late Philip Harrington, engineer, who designed and supervised the construction of Chicago's initial system of subways.

The late Ralph Budd, second Chairman of the Board, and former president of the Chicago, Burlington and Quincy railroad, served from 1949 until July 1, 1954, when he retired.

Virgil E. Gunlock, a former Commissioner of Public Works, City of Chicago, third Chairman of the Board, served from July 1, 1954, until his death March 21, 1963.

Walter J. McCarter, engineer and long-time local transportation company executive, formerly general manager of the Cleveland Transit System, was the first general manager of Chicago Transit Authority until he retired on October 1, 1964.

His successor is Thomas B. O'Connor, who, with 30 years service with CTA and a predecessor company, previously had extensive operating and administrative experience in all phases of transit operations.

Duties of the Board

The Board is under a direct mandate from the Illinois General Assembly, expressed in Section 30 of the Metropolitan Transit Authority Act, to provide service at actual cost, as a public service venture financed by private capital. This section of the Act requires the Board to fix rates, fares and charges sufficient in the aggregate to pay all expenses, including depreciation, modernization of the properties and service, and pay principal and interest on outstanding securities.

The General Assembly buttressed this mandate for operation of the Authority at actual cost by providing that "The Authority shall not have the power to levy taxes for any purpose whatsoever."

The Board's responsibility for over-all policy, and for effective application of the Authority's broad corporate powers, is expressed in the act as follows:

> It shall be the duty of the Board, as promptly as possible, to rehabilitate, reconstruct and modernize all portions of any transportation system acquired by the Authority, and to maintain at all times an adequate and modern transportation system suitable and adapted to the needs of the municipalities served by the Authority, and for safe, comfortable and convenient service.

Some of the Board's extensive powers are mandatory; others are permissive. In the category of mandatory powers, the Board shall:

1. Make all rules and regulations governing the operation of the transportation system.
2. Classify positions and grades of regular employment and make rules governing appointments on the basis of merit and efficiency.
3. Fix rates, fares and charges sufficient in the aggregate to pay operating expenses, fixed and other charges.

In the category of permissive powers, the Board may:

1. Enter into written wage, working conditions and pension contracts with employe representatives.
2. Establish a depreciation policy which makes provision for the continuous and prompt replacement of worn out and obsolete equipment.
3. Investigate all means of transportation and the management thereof as well as investigate the enforcement of its ordinances, rules and regulations, and the actions, conduct and efficiency of all officers, agents and employes of the Authority.

Balancing these extensive policy-making administrative powers of the Board are safeguards intended to protect the public from misuse of these powers. The most important of these provide that:

1. Any board member may be removed for incompetency, neglect of duty or malfeasance of office.
2. All ordinances, resolutions and proceedings of the Authority are public documents and open to public inspection, except documents or records kept or prepared by the Board for use in the negotiations, actions or proceedings to which the Authority is a party.
3. No discrimination shall be made in any appointment because of race, creed, color, political or religious affiliations.
4. No officer or employe shall be discharged or demoted except for cause which is detrimental to the service, and any employe discharged or demoted shall, on demand, be granted a public hearing by the Board.
5. Contracts for services, sale of property, construction of facilities, or for the purhcase of equipment, materials or supplies, involving $2,500 or more, shall be awarded to the best bidder only after competitive bidding, except that in cases of emergency, this safeguard may be waived by vote of at least five members of the Board.
6. Contracts shall not be split into parts involving less than $2,500 each; all contracts involving less than $2,500 shall be by competitive bidding whenever possible.

The Authority as a corporate entity, is vested with these major powers:

1. To own and operate a unified transportation system in the Chicago Metropolitan area.
2. To acquire other local transit properties by purchase or by condemnation, or to operate them on lease.

3. To enter into agreements with other local transit companies and railroads for joint use of facilities or joint fares.
4. To use any public road, street or other public way in the metropolitan area for the interurban transportation of passengers.
5. To borrow money for modernization of its rolling stock and other facilities or for the purchase of additional transportation facilities and properties.
6. To issue bonds or other evidences of indebtedness payable solely out of operating revenues.

Advantages of Authority Operation

In proposing Chicago Transit Authority as the means of solving the city's long-standing transit problems, its sponsors intended that it should have important advantages, in corporate structure and in corporate powers, over the usual types of privately or publicly owned local transit companies, but that any income above requirements should be used to improve the service. The Illinois General Assembly accepted this philosophy and vested the Authority with broad powers.

In the comparatively short period of Chicago Transit Authority operation these powers have been tested and have these advantages:

1. In its administrative set-up the Authority is similar to a private organization inasmuch as power to direct operations is vested solely in the management. There is no intervening agency or group to undermine management's authority or sharing management's responsibility. Management alone is accountable for the success or failure of the enterprise, and it is accountable directly to its customers.

   There is, consequently, a powerful incentive for management to strive at all times for efficiency and for improvements in the service.
2. Full and complete power and obligation to provide attractive, modern service are vested in Authority management, and in no other agency, but the service, including modernization, must rest entirely on the Authority's revenues, largely fares.

   Fares must be adjusted with reasonable promptness to changing operating costs. This mandatory requirement upon authority management assures riders that operating deficits will not be permitted to pile up to endanger the Authority's financial stability and credit, and that there will be no deterioration in service and no interruption of the program of modernization. Management cannot avoid ~~these adjustments in fares and~~ it must bear the responsibility of determining when the adjustments are required and in what amount.

3. Management-customer relationship in the Authority-type of operation is closer, more direct than in public utility operations, local transit included, whose managements are not vested with regulatory powers. This unusual management-customer relationship also exerts upon the management a compelling influence for capable, conscientious effort in the public interest.

4. Under Authority ownership and operation, the riding public and the private investors are in partnership to provide essential public service and to assure continuing modernization of this service, all at actual cost to local transit riders.

   In this unique partnership arrangement, there is give-and-take on the part of both investors and the public. For the use of their money, private investors receive only a fixed rate of interest. No profits are paid to them. In return for not sharing profits, CTA investors are guaranteed principal at maturity. To compensate for this commitment to investors, the transit riders alone are permitted to benefit from the profits, which, in the Authority-type of operation, are earnings in excess of operating and fixed charges. These earnings are retained by the Authority and must be used for modernization purposes only.

5. The broad powers vested in management enable it to establish and maintain service standards in accord with the basic principles of sound operating practices, and to follow the principle of actual need in establishing new routes and extensions. To these major features of the Authority-type of local transit there is, of course, the advantage to the riding public inherent in a municipal agency--exemption from taxation, which extends to all property owned by the Authority.

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CHICAGO TRANSIT AUTHORITY
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